

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The State Finance Act is amended by adding
5 Sections 5.595 and 6z-56 as follows:

6 (30 ILCS 105/5.595)

7 Sec. 5.595. The Jet Service Establishment, Expansion,
8 and Retention Fund.

9 (30 ILCS 105/6z-56 new)

10 Sec. 6z-56. The Jet Service Establishment, Expansion, and
11 Retention Fund.

12 (a) The Jet Service Establishment, Expansion, and
13 Retention Fund is hereby created as a special fund in the
14 State treasury.

15 (b) In order to maximize opportunities for economic
16 development in Illinois, money in the Fund shall be used by
17 the Department of Transportation, subject to appropriation,
18 to assist in establishing, expanding, and retaining jet
19 service at the State's 12 primary airports:

20 (1) Belleville-St. Clair County (MidAmerica
21 Airport).

22 (2) Bloomington-Normal.

23 (3) Champaign.

24 (4) Chicago (Midway and O'Hare).

25 (5) Decatur.

26 (6) Marion.

27 (7) Moline.

28 (8) Peoria.

29 (9) Quincy.

30 (10) Rockford.

1 (11) Springfield.

2 Section 10. The Motor Fuel Tax Law is amended by
3 changing Sections 2 and 8 and adding Section 8b as follows:

4 (35 ILCS 505/2) (from Ch. 120, par. 418)

5 Sec. 2. A tax is imposed on the privilege of operating
6 motor vehicles upon the public highways and recreational-type
7 watercraft upon the waters of this State.

8 (a) Prior to August 1, 1989, the tax is imposed at the
9 rate of 13 cents per gallon on all motor fuel used in motor
10 vehicles operating on the public highways and recreational
11 type watercraft operating upon the waters of this State.
12 Beginning on August 1, 1989 and until January 1, 1990, the
13 rate of the tax imposed in this paragraph shall be 16 cents
14 per gallon. Beginning January 1, 1990, the rate of tax
15 imposed in this paragraph shall be 19 cents per gallon.

16 (b) The tax on the privilege of operating motor vehicles
17 which use diesel fuel shall be the rate according to
18 paragraph (a) plus an additional 2 1/2 cents per gallon.
19 "Diesel fuel" is defined as any petroleum product intended
20 for use or offered for sale as a fuel for engines in which
21 the fuel is injected into the combustion chamber and ignited
22 by pressure without electric spark.

23 (c) A tax is imposed upon the privilege of engaging in
24 the business of selling motor fuel as a retailer or reseller
25 on all motor fuel used in motor vehicles operating on the
26 public highways and recreational type watercraft operating
27 upon the waters of this State: (1) at the rate of 3 cents per
28 gallon on motor fuel owned or possessed by such retailer or
29 reseller at 12:01 a.m. on August 1, 1989; and (2) at the rate
30 of 3 cents per gallon on motor fuel owned or possessed by
31 such retailer or reseller at 12:01 A.M. on January 1, 1990.

32 Retailers and resellers who are subject to this

1 additional tax shall be required to inventory such motor fuel
2 and pay this additional tax in a manner prescribed by the
3 Department of Revenue.

4 The tax imposed in this paragraph (c) shall be in
5 addition to all other taxes imposed by the State of Illinois
6 or any unit of local government in this State.

7 (d) Except as provided in Section 2a, the collection of
8 a tax based on gallonage of gasoline used for the propulsion
9 of any aircraft is prohibited on and after October 1, 1979
10 and through June 30, 2003. Beginning on July 1, 2003, a tax
11 based on gallonage of fuel used for the propulsion of
12 aircraft that is sold at O'Hare International Airport is
13 imposed at the rate of 1 cent per gallon.

14 (e) The collection of a tax, based on gallonage of all
15 products commonly or commercially known or sold as 1-K
16 kerosene, regardless of its classification or uses, is
17 prohibited (i) on and after July 1, 1992 until December 31,
18 1999, except when the 1-K kerosene is either: (1) delivered
19 into bulk storage facilities of a bulk user, or (2) delivered
20 directly into the fuel supply tanks of motor vehicles and
21 (ii) on and after January 1, 2000. Beginning on January 1,
22 2000, the collection of a tax, based on gallonage of all
23 products commonly or commercially known or sold as 1-K
24 kerosene, regardless of its classification or uses, is
25 prohibited except when the 1-K kerosene is delivered directly
26 into a storage tank that is located at a facility that has
27 withdrawal facilities that are readily accessible to and are
28 capable of dispensing 1-K kerosene into the fuel supply tanks
29 of motor vehicles.

30 Any person who sells or uses 1-K kerosene for use in
31 motor vehicles upon which the tax imposed by this Law has not
32 been paid shall be liable for any tax due on the sales or use
33 of 1-K kerosene.

34 (Source: P.A. 91-173, eff. 1-1-00.)

1 (35 ILCS 505/8) (from Ch. 120, par. 424)

2 Sec. 8. Except as provided in Sections Section 8a and
3 8b, subdivision (h)(1) of Section 12a, Section 13a.6, and
4 items 13, 14, 15, and 16 of Section 15, all money received by
5 the Department under this Act, including payments made to the
6 Department by member jurisdictions participating in the
7 International Fuel Tax Agreement, shall be deposited in a
8 special fund in the State treasury, to be known as the "Motor
9 Fuel Tax Fund", and shall be used as follows:

10 (a) 2 1/2 cents per gallon of the tax collected on
11 special fuel under paragraph (b) of Section 2 and Section 13a
12 of this Act shall be transferred to the State Construction
13 Account Fund in the State Treasury;

14 (b) \$420,000 shall be transferred each month to the
15 State Boating Act Fund to be used by the Department of
16 Natural Resources for the purposes specified in Article X of
17 the Boat Registration and Safety Act;

18 (c) \$2,250,000 shall be transferred each month to the
19 Grade Crossing Protection Fund to be used as follows: not
20 less than \$6,000,000 each fiscal year shall be used for the
21 construction or reconstruction of rail highway grade
22 separation structures; beginning with fiscal year 1997 and
23 ending in fiscal year 2000, \$1,500,000, beginning with fiscal
24 year 2001 and ending in fiscal year 2003, \$2,250,000, and
25 \$750,000 in fiscal year 2004 and each fiscal year thereafter
26 shall be transferred to the Transportation Regulatory Fund
27 and shall be accounted for as part of the rail carrier
28 portion of such funds and shall be used to pay the cost of
29 administration of the Illinois Commerce Commission's railroad
30 safety program in connection with its duties under subsection
31 (3) of Section 18c-7401 of the Illinois Vehicle Code, with
32 the remainder to be used by the Department of Transportation
33 upon order of the Illinois Commerce Commission, to pay that
34 part of the cost apportioned by such Commission to the State

1 to cover the interest of the public in the use of highways,
2 roads, streets, or pedestrian walkways in the county highway
3 system, township and district road system, or municipal
4 street system as defined in the Illinois Highway Code, as the
5 same may from time to time be amended, for separation of
6 grades, for installation, construction or reconstruction of
7 crossing protection or reconstruction, alteration, relocation
8 including construction or improvement of any existing highway
9 necessary for access to property or improvement of any grade
10 crossing including the necessary highway approaches thereto
11 of any railroad across the highway or public road, or for the
12 installation, construction, reconstruction, or maintenance of
13 a pedestrian walkway over or under a railroad right-of-way,
14 as provided for in and in accordance with Section 18c-7401 of
15 the Illinois Vehicle Code. The Commission shall not order
16 more than \$2,000,000 per year in Grade Crossing Protection
17 Fund moneys for pedestrian walkways. In entering orders for
18 projects for which payments from the Grade Crossing
19 Protection Fund will be made, the Commission shall account
20 for expenditures authorized by the orders on a cash rather
21 than an accrual basis. For purposes of this requirement an
22 "accrual basis" assumes that the total cost of the project is
23 expended in the fiscal year in which the order is entered,
24 while a "cash basis" allocates the cost of the project among
25 fiscal years as expenditures are actually made. To meet the
26 requirements of this subsection, the Illinois Commerce
27 Commission shall develop annual and 5-year project plans of
28 rail crossing capital improvements that will be paid for with
29 moneys from the Grade Crossing Protection Fund. The annual
30 project plan shall identify projects for the succeeding
31 fiscal year and the 5-year project plan shall identify
32 projects for the 5 directly succeeding fiscal years. The
33 Commission shall submit the annual and 5-year project plans
34 for this Fund to the Governor, the President of the Senate,

1 the Senate Minority Leader, the Speaker of the House of
2 Representatives, and the Minority Leader of the House of
3 Representatives on the first Wednesday in April of each year;

4 (d) of the amount remaining after allocations provided
5 for in subsections (a), (b) and (c), a sufficient amount
6 shall be reserved to pay all of the following:

7 (1) the costs of the Department of Revenue in
8 administering this Act;

9 (2) the costs of the Department of Transportation
10 in performing its duties imposed by the Illinois Highway
11 Code for supervising the use of motor fuel tax funds
12 apportioned to municipalities, counties and road
13 districts;

14 (3) refunds provided for in Section 13 of this Act
15 and under the terms of the International Fuel Tax
16 Agreement referenced in Section 14a;

17 (4) from October 1, 1985 until June 30, 1994, the
18 administration of the Vehicle Emissions Inspection Law,
19 which amount shall be certified monthly by the
20 Environmental Protection Agency to the State Comptroller
21 and shall promptly be transferred by the State
22 Comptroller and Treasurer from the Motor Fuel Tax Fund to
23 the Vehicle Inspection Fund, and for the period July 1,
24 1994 through June 30, 2000, one-twelfth of \$25,000,000
25 each month, and for the period July 1, 2000 through June
26 30, 2006, one-twelfth of \$30,000,000 each month, for the
27 administration of the Vehicle Emissions Inspection Law of
28 1995, to be transferred by the State Comptroller and
29 Treasurer from the Motor Fuel Tax Fund into the Vehicle
30 Inspection Fund;

31 (5) amounts ordered paid by the Court of Claims;
32 and

33 (6) payment of motor fuel use taxes due to member
34 jurisdictions under the terms of the International Fuel

1 Tax Agreement. The Department shall certify these
2 amounts to the Comptroller by the 15th day of each month;
3 the Comptroller shall cause orders to be drawn for such
4 amounts, and the Treasurer shall administer those amounts
5 on or before the last day of each month;

6 (e) after allocations for the purposes set forth in
7 subsections (a), (b), (c) and (d), the remaining amount shall
8 be apportioned as follows:

9 (1) Until January 1, 2000, 58.4%, and beginning
10 January 1, 2000, 45.6% shall be deposited as follows:

11 (A) 37% into the State Construction Account
12 Fund, and

13 (B) 63% into the Road Fund, \$1,250,000 of
14 which shall be reserved each month for the
15 Department of Transportation to be used in
16 accordance with the provisions of Sections 6-901
17 through 6-906 of the Illinois Highway Code;

18 (2) Until January 1, 2000, 41.6%, and beginning
19 January 1, 2000, 54.4% shall be transferred to the
20 Department of Transportation to be distributed as
21 follows:

22 (A) 49.10% to the municipalities of the State,

23 (B) 16.74% to the counties of the State having
24 1,000,000 or more inhabitants,

25 (C) 18.27% to the counties of the State having
26 less than 1,000,000 inhabitants,

27 (D) 15.89% to the road districts of the State.

28 As soon as may be after the first day of each month the
29 Department of Transportation shall allot to each municipality
30 its share of the amount apportioned to the several
31 municipalities which shall be in proportion to the population
32 of such municipalities as determined by the last preceding
33 municipal census if conducted by the Federal Government or
34 Federal census. If territory is annexed to any municipality

1 subsequent to the time of the last preceding census the
2 corporate authorities of such municipality may cause a census
3 to be taken of such annexed territory and the population so
4 ascertained for such territory shall be added to the
5 population of the municipality as determined by the last
6 preceding census for the purpose of determining the allotment
7 for that municipality. If the population of any municipality
8 was not determined by the last Federal census preceding any
9 apportionment, the apportionment to such municipality shall
10 be in accordance with any census taken by such municipality.
11 Any municipal census used in accordance with this Section
12 shall be certified to the Department of Transportation by the
13 clerk of such municipality, and the accuracy thereof shall be
14 subject to approval of the Department which may make such
15 corrections as it ascertains to be necessary.

16 As soon as may be after the first day of each month the
17 Department of Transportation shall allot to each county its
18 share of the amount apportioned to the several counties of
19 the State as herein provided. Each allotment to the several
20 counties having less than 1,000,000 inhabitants shall be in
21 proportion to the amount of motor vehicle license fees
22 received from the residents of such counties, respectively,
23 during the preceding calendar year. The Secretary of State
24 shall, on or before April 15 of each year, transmit to the
25 Department of Transportation a full and complete report
26 showing the amount of motor vehicle license fees received
27 from the residents of each county, respectively, during the
28 preceding calendar year. The Department of Transportation
29 shall, each month, use for allotment purposes the last such
30 report received from the Secretary of State.

31 As soon as may be after the first day of each month, the
32 Department of Transportation shall allot to the several
33 counties their share of the amount apportioned for the use of
34 road districts. The allotment shall be apportioned among the

1 several counties in the State in the proportion which the
2 total mileage of township or district roads in the respective
3 counties bears to the total mileage of all township and
4 district roads in the State. Funds allotted to the respective
5 counties for the use of road districts therein shall be
6 allocated to the several road districts in the county in the
7 proportion which the total mileage of such township or
8 district roads in the respective road districts bears to the
9 total mileage of all such township or district roads in the
10 county. After July 1 of any year, no allocation shall be
11 made for any road district unless it levied a tax for road
12 and bridge purposes in an amount which will require the
13 extension of such tax against the taxable property in any
14 such road district at a rate of not less than either .08% of
15 the value thereof, based upon the assessment for the year
16 immediately prior to the year in which such tax was levied
17 and as equalized by the Department of Revenue or, in DuPage
18 County, an amount equal to or greater than \$12,000 per mile
19 of road under the jurisdiction of the road district,
20 whichever is less. If any road district has levied a special
21 tax for road purposes pursuant to Sections 6-601, 6-602 and
22 6-603 of the Illinois Highway Code, and such tax was levied
23 in an amount which would require extension at a rate of not
24 less than .08% of the value of the taxable property thereof,
25 as equalized or assessed by the Department of Revenue, or, in
26 DuPage County, an amount equal to or greater than \$12,000 per
27 mile of road under the jurisdiction of the road district,
28 whichever is less, such levy shall, however, be deemed a
29 proper compliance with this Section and shall qualify such
30 road district for an allotment under this Section. If a
31 township has transferred to the road and bridge fund money
32 which, when added to the amount of any tax levy of the road
33 district would be the equivalent of a tax levy requiring
34 extension at a rate of at least .08%, or, in DuPage County,

1 an amount equal to or greater than \$12,000 per mile of road
2 under the jurisdiction of the road district, whichever is
3 less, such transfer, together with any such tax levy, shall
4 be deemed a proper compliance with this Section and shall
5 qualify the road district for an allotment under this
6 Section.

7 In counties in which a property tax extension limitation
8 is imposed under the Property Tax Extension Limitation Law,
9 road districts may retain their entitlement to a motor fuel
10 tax allotment if, at the time the property tax extension
11 limitation was imposed, the road district was levying a road
12 and bridge tax at a rate sufficient to entitle it to a motor
13 fuel tax allotment and continues to levy the maximum
14 allowable amount after the imposition of the property tax
15 extension limitation. Any road district may in all
16 circumstances retain its entitlement to a motor fuel tax
17 allotment if it levied a road and bridge tax in an amount
18 that will require the extension of the tax against the
19 taxable property in the road district at a rate of not less
20 than 0.08% of the assessed value of the property, based upon
21 the assessment for the year immediately preceding the year in
22 which the tax was levied and as equalized by the Department
23 of Revenue or, in DuPage County, an amount equal to or
24 greater than \$12,000 per mile of road under the jurisdiction
25 of the road district, whichever is less.

26 As used in this Section the term "road district" means
27 any road district, including a county unit road district,
28 provided for by the Illinois Highway Code; and the term
29 "township or district road" means any road in the township
30 and district road system as defined in the Illinois Highway
31 Code. For the purposes of this Section, "road district" also
32 includes park districts, forest preserve districts and
33 conservation districts organized under Illinois law and
34 "township or district road" also includes such roads as are

1 maintained by park districts, forest preserve districts and
2 conservation districts. The Department of Transportation
3 shall determine the mileage of all township and district
4 roads for the purposes of making allotments and allocations
5 of motor fuel tax funds for use in road districts.

6 Payment of motor fuel tax moneys to municipalities and
7 counties shall be made as soon as possible after the
8 allotment is made. The treasurer of the municipality or
9 county may invest these funds until their use is required and
10 the interest earned by these investments shall be limited to
11 the same uses as the principal funds.

12 (Source: P.A. 91-37, eff. 7-1-99; 91-59, eff. 6-30-99;
13 91-173, eff. 1-1-00; 91-357, eff. 7-29-99; 91-704, eff.
14 7-1-00; 91-725, eff. 6-2-00; 91-794, eff. 6-9-00; 92-16, eff.
15 6-28-01; 92-30, eff. 7-1-01.)

16 (35 ILCS 505/8b new)

17 Sec. 8b. Deposit of receipts from tax on fuel used in the
18 propulsion of aircraft. All money received by the Department
19 under subsection (d) of Section 2 of this Act shall be
20 deposited into the Jet Service Establishment, Expansion, and
21 Retention Fund.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.